



State of Ohio Environmental Protection Agency

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JUL 26 2010

Ms. Susan Hedman
Regional Administrator
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Dear Ms. Hedman,

On June 3, 2010, U.S. EPA promulgated the "Tailoring Rule" to cover the permitting of greenhouse gases from stationary sources. The tailoring rule requires changes to states' Prevention of Significant Deterioration Regulations and Title V rules. The new rules call for the permitting of greenhouse gases starting on January 2, 2011, which leaves little time for states to modify their respective rules. As part of the preamble of the June 3, 2010 rule package, U.S. EPA has requested that states provide U.S. EPA with a letter that indicates the approach the state will take to implement the provisions of the tailoring rule.

Ohio EPA has reviewed the tailoring rule and U.S. EPA's language that suggests that "subject to regulation" would be sufficient to begin to regulate greenhouse gas emissions. In fact, we believe accepting U.S. EPA's "subject to regulation" theory would have the effect of requiring any increase in greenhouse gas emissions from a major source to require a PSD permit beginning on January 2, 2011. This would have the exact opposite effect to the stated purpose of the tailoring rule.

Ohio EPA believes that in order for our agency to begin to permit greenhouse gas emissions consistent with U.S. EPA's tailoring rules, we must modify the state operating permit program rules under Title V and preconstruction requirements under the Permit-to-Install rules. We have started the rulemaking process. The following is a schedule for the completion of the rules:

Director/Legal review of Interested Party (IP) Package: Into Review by July 1, 2010

Issue IP Package: July 12, 2010

30 Day IP Period: July 15 to August 15, 2010

30 Days to Respond to IP Comments/Prepare Proposal Package: August 15 through September 15

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

Director/Legal review: September 15 through September 30

Rule Filed with JCARR: September 30, 2010

Public Hearing Date: Between October 31 and November 9, 2010

JCARR Hearing: Monday November 15, 2010

Rule Final Filed: Week of December 6, 2010

Rule effective: Week of December 13, 2010

This schedule is premised on our agency not receiving any significant negative comments from any interested stakeholders on the proposal to adopt these changes to the rules.

Please let me know if you have questions on the contents of the letter.

Sincerely,

A handwritten signature in black ink, appearing to be "Chris Korleski", written in a cursive style.

Chris Korleski
Director